



## MEMORANDUM

Not On  
Agenda Item No. 7(0)(1)(C)

TO: Honorable Chairperson Barbara Carey-Shuler, Ed. D.  
and Members, Board of County Commissioners

DATE:

FROM: George M. Burgess  
County Manager

SUBJECT: Owner Controlled  
Insurance Program for the Performing  
Arts Center  
Contract No. 170  
Supplemental Agreement No. 1

This item is submitted as an add-on due to the fact that the Owner Controlled Insurance Policy for the construction of the Performing Arts Center will expire October 15, 2003. The item extends the insurance for one additional year.

### RECOMMENDATION

It is recommended that the Board of County Commissioners approve the attached Supplemental Agreement No. 1 to Contract No. 170 with Marsh USA Inc., the County's insurance broker for this insurance program. The Supplemental Agreement provides for an increase of \$1,819,216 to the estimated not-to-exceed insurance premiums (primary and excess) and loss control fees amount to cover the insurance premium renewal period October 15, 2003-October 15, 2004 of the Owner Controlled Insurance Program (OCIP) for the Performing Arts Center (PAC). This additional amount will be paid from the PAC Project Contingency of the PAC bond proceeds.

### BACKGROUND

The OCIP provides that the owner (Miami-Dade County) purchases the Worker's Compensation and General Liability insurance for the PAC project covering the County, the Construction Manager and sub-contractors. The OCIP is anticipated to provide savings to the County over the traditional method of requiring the contractors to provide their own insurance. The Program also provides the opportunity for greater participation by small and minority firms which might otherwise be prohibited from participating due to the limits of liability required.

On January 21, 1999, the Board approved Resolution No. R-93-99 authorizing award of Contract No. 170 to Marsh USA Inc. (formerly J&H Marsh & McLennan, Inc.) to provide broker services for the OCIP. The estimated not-to-exceed premium was \$4,550,000 for the 39 month anticipated project term. Also available under the contract was a contingency fund in the amount of \$557,000.

Due to conditions in the insurance marketplace and company underwriting practices, an identical Program will not be offered upon renewal. The structure will change from a guaranteed cost (the premium rate remains constant throughout the term of coverage with payroll changes as the only variable affecting the cost) to a retrospective rating plan. The premium under a retrospective rating plan will vary depending upon the loss experience on the project. Based on current payroll, the premium is estimated to be \$4,121,484 for the October 15, 2003-October 15, 2004 period. If the project's excellent loss experience continues, premium dollars will be refunded. Additionally, the carrier has agreed to an approximate credit of \$1,913,460 against the paid premium for the period of

Honorable Chairperson Barbara Carey-Shuler, Ed. D  
and Members, Board of County Commissioners  
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time between the inception date of July 15, 2000 and the commencement of construction on October 21, 2001.

The premiums paid to date under this contract are \$4,161,191. The Supplemental Agreement is being issued to cover the difference between the estimated cost of the new premium (\$4,121,484) and the remaining available funds for the premium under the contract (\$2,302,268 including carrier credit). The increase to cover the insurance premium does not take into consideration use of the available contingency funds which need to remain in place for future provisions including extended time, additional broker services, and/or an increase in premium due to increased payroll. Additionally, subsequent yearly insurance renewals, until project completion, will require increases to the insurance premium amount stated in the contract and will be presented for approval as needed.



Assistant County Manager



# MEMORANDUM

(Revised)

**TO:** Hon. Chairperson Barbara Carey-Shuler, Ed.D.  
and Members, Board of County Commissioners

**DATE:** October 7, 2003

**FROM:** Robert A. Ginsburg  
County Attorney

**SUBJECT:** Not On  
Agenda Item No. 7(O)(1)(C)

Please note any items checked.

- ☒ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☒ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Not On  
Agenda Item No. 7(0)(1)(C)  
10-7-03

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING EXECUTION OF  
SUPPLEMENTAL AGREEMENT NO. 1 TO CONTRACT NO.  
170 WITH MARSH USA INC., FOR THE OWNER  
CONTROLLED INSURANCE PROGRAM FOR THE  
PERFORMING ARTS CENTER, AUTHORIZING THE  
COUNTY MANAGER TO EXECUTE THE SUPPLEMENTAL  
AGREEMENT FOR AND ON BEHALF OF MIAMI-DADE  
COUNTY AND TO EXERCISE ALL OTHER RIGHTS  
CONTAINED THEREIN CONTRACT NO. 170,  
SUPPLEMENTAL AGREEMENT NO. 1

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the execution of Supplemental Agreement No. 1 to Contract No. 170 with Marsh USA Inc., in substantially the form attached hereto and made a part hereof; and authorizes the County Manager to execute same for and on behalf of Miami-Dade County and to exercise any other rights contained therein.

The foregoing resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson	
Katy Sorenson, Vice-Chairperson	
Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorrian D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 7th day of October, 2003. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF COUNTY  
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as  
to form and legal sufficiency.

HBO/

By: \_\_\_\_\_  
Deputy Clerk

Hugo Benitez

## MIAMI-DADE COUNTY, FLORIDA

### SUPPLEMENTAL AGREEMENT NO. 1

Contract Number: **170 - executed February 1, 1999; R-93-99**

Contract Title: **Owner Controlled Insurance Program (OCIP) for the Performing Arts Center (Broker Services)**

Contractor: **Marsh USA, Inc  
1560 Sawgrass Corporate Parkway  
Suite 300  
Sunrise, FL 33323**

In accordance with the above referenced Contract, this Supplemental Agreement No. 1, when properly executed, shall become effective on October 15, 2003, becomes a part of the County's Contract No. 170 and incorporates the following:

1) The Contractor referred to in the Agreement is hereby changed to read Marsh USA Inc. a corporation organized and existing under the laws of the State of Delaware, having its principal office at 1560 Sawgrass Corporate Parkway, Suite 300, Sunrise, Florida 33323.

2) Appendix B, Price Schedule, Item 3 shall be amended to include the following:

The premium cost is hereby increased by \$1,819,216 for the Worker's Compensation, General Liability, Loss Control and Florida Worker's Compensation Assessment.

Note: The increase shall cover premium cost for the insurance renewal year beginning October 15, 2003 and does not include the Umbrella Liability.

3) Article 31 shall be deleted and replaced in its entirety with the following:

**Business Application** The Contractor shall be a registered vendor with the County – Department of Procurement Management - Bids and Contracts Section, for the duration of this Agreement. It is the responsibility of the Contractor to file the appropriate Vendor Application and to update the Application file for any changes for the duration of this Agreement, including any option years.

Additionally, Section 2-11.1(d) of Miami-Dade County Code as amended by Ordinance 00-1, requires any county employee or any member of the employee's immediate family who has a controlling financial interest, direct or indirect, with Miami-Dade County or any person or agency acting for Miami-Dade County from competing or applying for any such contract as it pertains to this solicitation, must first request a conflict of interest opinion from the County's Ethic Commission prior to their or their immediate family member's entering into any contract or transacting any business through a firm, corporation, partnership or business entity in which the employee or any member of the employee's immediate family has a controlling financial interest, direct or indirect, with Miami-Dade County or any person or agency acting for Miami-Dade County and that any such contract, agreement or business engagement entered in violation of this subsection, as amended, shall render this Agreement voidable. For additional information, please contact the Ethics Commission hotline at (305) 579-2593.

- 4) Article 33 shall be amended to include the following to the end of the list in the first sentence as follows:
- vii) Miami-Dade County Ordinance 99-5, codified at 11A-60 et. seq. of Miami-Dade Code pertaining to complying with the County's Domestic Leave Ordinance.
  - viii) Miami-Dade County Ordinance 99-152, prohibiting the presentation, maintenance, or prosecution of false or fraudulent claims against Miami-Dade County.
- 5) Article 35 and Form A-6 pertaining to business activity with and travel to Cuba shall be deleted in their entirety.
- 6) The signed affidavit entitled "Project Fresh Start Welfare-to-Work Initiative – Resolution R702-98" is deleted in its entirety.

IN WITNESS WHEREOF, the parties have executed this Supplemental Agreement No. 1 to County Contract No. 170 effective as of the date first herein above set forth.

Contractor

Miami-Dade County

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_

Secretary

Clerk of the Board

Approved as to form  
and legal sufficiency

\_\_\_\_\_  
Assistant County Attorney